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SUBJECT: CHILE'S SEMI-ANNUAL INL UPDATE

REF: SANTIAGO 521

¶1. (SBU) SUMMARY: The Government of Chile demonstrated its commitment to anti-narcotics efforts in the first half of 2009, but several high-profile seizures revealed the difficult challenges facing Chilean law enforcement agencies. Chile's National Drug Control Commission (CONACE) assumed a leadership position at the OAS as president of the Inter-American Drug Control Commission (CICAD), hosted an international conference on drug courts, and prepared the upcoming release of the 2009 national drug strategy report. Chilean law enforcement authorities seized more than 1100 kgs of ephedrine linked to Mexico (reftel) and detected increased smuggling at the international airport in Arica, near the border with Peru. Post's INL activities included support for the drug court conference, an anti-money laundering seminar, and participation in several ILEA courses. END SUMMARY.

INTERNATIONAL LEADERSHIP AND COOPERATION

¶2. (SBU) During the first six months of 2009, Chile assumed leadership roles in the international anti-narcotics community, serving as the president of OAS Inter-American Drug Abuse Control Commission (CICAD) and hosting a conference on EU-Latin American anti-narcotics cooperation. Working closely with the United States, which holds the vice presidency, Chile successfully led the 45th Regular Session of CICAD held in Washington in May. Chile hosted a March conference on anti-drug cooperation efforts with Europe that highlighted the use of drug courts as alternative treatments. Chile also hosted INTERPOL's 20th Regional Conference of the Americas in Vina del Mar in April.

REGULATION, TREATMENT, DEMAND REDUCTION

¶3. (SBU) On May 23, the GOC classified "spice", a mixture of herbs and synthetic cannabinoid compounds, as a prohibited drug. "Spice" has effects similar to marijuana and had been sold in stores in Chile as incense. The classification allows the GOC to penalize the importation, sale, or distribution of the substance.

¶4. (SBU) The GOC continued to support U.S.-style drug courts. In March, CONACE held a seminar to review the results of programs that combine judicial supervision and drug rehabilitation to treat drug offenders. The courts started in Santiago in 2007 and have treated more than 211 people. CONACE announced the courts will be extended nationwide within two years. In June, two Chilean judges traveled to the United States to participate in the 15th annual drug courts conference.

¶5. (SBU) In June, CONACE and the Public Prosecutor's office signed an agreement to organize anti-drug community outreach programs in high-risk areas. CONACE also released its

bi-annual report on drug use that showed a stabilization of the rate of consumption by Chileans between the ages of 12-65. The study also showed an increase in the use of marijuana and a decrease in the price of cocaine. According to the study, the perception of risk associated with drug use increased. CONACE will release its new national drug control strategy in the second half of 2009.

LAW ENFORCEMENT

¶6. (SBU) Chile's law enforcement agencies recorded several high-profile seizures in the first half of 2009. Embassy contacts, however, report an increase in drug trafficking in the north, and law enforcement agencies admit they do not have the resources to adequately confront the threat. In an April 2009 interview, the National Prosecutor's Drug Unit chief Manuel Guerra acknowledged that Chile is an attractive route for narco-traffickers. Law enforcement agencies are challenged by an increased drug supply from Bolivia, poor interagency cooperation, a lack of resources, and a harsh environment characterized by rugged terrain and long porous borders with Argentina, Bolivia, and Peru.

Notable seizures over the past six months include:

-- Between January 29 and February 26, police arrested six individuals in the northern city of Arica for trafficking cocaine in the international airport. The traffickers included three Spanish nationals and officials reported the drugs were destined for Madrid, Amsterdam, and London. (NOTE: Arica regained its status as an international airport in 2008, making it an attractive destination for traffickers. END NOTE)

-- On March 12, Santiago police arrested three Mexican nationals for trafficking 100 kgs of ephedrine to Mexico City. Later in March, police seized an additional 1100 kgs of ephedrine destined for Mexico City (reftel).

-- On May 15, police seized 243 kgs of cocaine valued at \$243 million near Antofagasta in northern Chile. The seizure took place using aerial surveillance and resulted in six arrests. The same day, in an unrelated case, police seized 804 kgs of marijuana from Paraguay in Los Andes, a town located in central Chile close to the border with Argentina.

-- On June 2, airport police in Santiago arrested an Argentine national for drug trafficking using suitcases that were made from cocaine. The drugs were highly compressed and molded into the shape of suitcases.

USG ASSISTANCE

¶7. (SBU) Anti-money laundering: In March, Embassy Santiago organized a two-day program for government and private sector officials on anti-money laundering regulations. Alex Bustos, an expert in financial controls based in the U.K., spoke to more than twenty members of the Carabineros, Investigative Police, and Public Prosecutor's office. He also spoke about internal controls to more than 25 compliance officers from international banks. The Embassy also arranged for two Chilean officials to participate in the June 2009 APEC seminar on bulk cash smuggling, held in Sydney, Australia.

¶8. (SBU) Intellectual Property Rights: Embassy Santiago and the U.S. Patent and Trademark Office organized seminars in Iquique and Valparaiso for more than 200 members of the police, public prosecutor's office, and customs service. The seminars, held at the end of March, focused on Chilean IPR regulations, FTA obligations, and product identification. Within two weeks of the seminar, police had seized more than 2000 fake Apple products.

¶9. (SBU) Anti-narcotics: Embassy Santiago coordinated Chilean participation in several ILEA courses. Seven members of the

Carabineros and Investigative Police attended the ILEA Drug Unit Commanders Course and four Chilean officials participated in the ILEA Risk Management Course in January 2009. Embassy Santiago sponsored the participation of two U.S. experts in the Drug Courts Symposium held in Santiago in March 2009. The experts offered presentations on U.S.-style drug courts to more than 500 participants. Embassy Santiago planned equipment purchases and training seminars using INL funds that will take place in the second half of 2009.

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